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"The Principles of Construction and Interpretation," and consists of a series of discursive observations which, while unobjectionable in themselves, fall far short of what their title leads us to expect. About half the chapter is devoted to a summary of cases in which the court has interpreted the Amendment.

In the third lecture, which treats of "due process of law," and in the fourth lecture, which is on "the equal protection of the laws," we find the most valuable parts of the book. In the former some of the leading cases are grouped together and reviewed under the heads of the police power, the power of eminent domain, the power of taxation, and civil and criminal procedure. A considerable portion of the fourth lecture is devoted to a discussion of the political aspects of progressive taxation especially as applied to inheritances. In Mr. Guthrie's judgment the attempt to apply this principle is but a step toward socialism.

The fifth and final lecture deals with the rules of practice of the federal courts. Emphasis is laid upon one much-needed amendment of the law regulating appeals. As the law now stands, an appeal can be taken from the decision of a State court in a case involving the constitutionality of a federal law only when the decision is adverse to the law. It has frequently happened that statutes upheld by the State courts have later been declared unconstitutional by the federal supreme court. Thus uniformity of interpretation is defeated. The matter could be remedied by giving the State the right to appeal.

An ample table of cases, a well annotated copy of the Constitution, and an analytical index add greatly to the value of the volume. The circumstances under which the lectures were prepared are perhaps a sufficient excuse for their numerous shortcomings in the selection of matter and the form of its arrangement. The author promises a more elaborate work on the same subject.

CARL EVANS BOYD.

Chicago.

The Financial History of Baltimore. By J. H. HOLLANDER, Ph. D.
Pp. xvi, 397. Baltimore: The Johns Hopkins Press, 1899.

Professor Hollander's work might almost have been called the Municipal History of Baltimore. It includes not only a very complete treatment of municipal functions, which necessarily forms a part of any satisfactory work on municipal finance, but also some consideration of the

administrative organization of the city at different periods; for "at no time has there been any important change in the organization of the city government or in the essential features of its economic life, without corresponding effect upon municipal finances." The history of Baltimore as an incorporated city is divided into three periods, and for each period the author has described municipal administration, municipal expenditure, municipal revenue, and municipal indebtedness. This historical matter is followed by a view of the city's finances in the year 1897 (the last under the old charter), a summary of the more important provisions of the new charter, and a final chapter on the financial outlook. Carefully compiled statistical appendices exhibit the municipal receipts and expenditures classified according to source and purpose, the tax levies and assessments, and the growth of the funded debt and sinking funds. All this has evidently involved an immense amount of painstaking labor, the result of which is a most valuable and interesting contribution to municipal finance.

The history of Baltimore Town, up to its incorporation as a city at the close of 1796, is of financial interest chiefly by reason of the early development of special assessments. Other interesting features were the germ of a general property tax found in an equal tax on lots, the graduated house tax, certain specific taxes and licenses, and the raising of public revenue by the favorite method of the lottery. The statutory limit of the city's taxing power has been increased from time to time and even temporarily removed altogether, but "the characteristic feature of the present financial condition of Baltimore is the pressure of increasing expenditure upon inelastic revenue."

The municipal authorities of Baltimore in the first half of the century apparently were predisposed in favor of municipal ownership of water works and even of street railways but lacked the enterprise necessary for such extensive undertakings. After two abortive attempts to secure a municipal water supply a franchise was granted to the Baltimore Water Company. After repeated efforts, culminating in a plebiscite, the water system was purchased by the city in 1854. The change resulted in reduced charges intended merely to cover the cost of administration. In 1832 municipal street railways, or "branch railways," were built in certain streets to connect with the new Baltimore and Ohio Railroad; the work was done by contract, and the expense was defrayed by special assessments on the abutting property, in a manner which has been recently proposed as a novel solution of the municipal ownership problem. How these interesting lines were operated, and what ultimately became of the city's interest in them, is not related. The further development of the street railway system was afterward intrusted to private companies. At first the city was

paid one-fifth of the gross receipts as a "park tax," besides a license tax of \$20 a car; the right of purchase at the end of fifteen-year periods was also reserved, yet the first franchise was at once sold out to a Philadelphia company at a good premium. But this practical lesson in the value of franchises was soon forgotten or disregarded; for not only was the license tax reduced to \$5 a car, but the city's share of the gross receipts was first reduced by the council to 12 per cent and then cut down by the state legislature to 9 per cent. The idea of municipal ownership also lost ground as time went on, for while the purchase of the railway lines was seriously considered as late as 1865, the later franchises have contained no provision for acquisition by the city. In the case of the gas supply, also, while there was an occasional agitation in favor of municipal ownership, the actual reliance of the city was always upon private enterprise and "competition," so that "within a limited period, Baltimore was afflicted with five successive gas companies, each of which tore up the most important thoroughfares of the city and replaced them in a manner requiring early repair by the city." When electric wires began to be put underground those of the police and fire-alarm system were at first put in the conduits of a private company, but the situation in that respect has been partially reversed, and the city now has space to rent in its own conduits.

Subsidies have constituted an important item in Baltimore's budgets—subsidies at first to railroads and canals, and later to private charitable institutions. "The experience of Baltimore in granting public subsidies to private charities confirms in almost every detail the results attained in other American cities. The cost to the city was probably less than municipal institutions would have involved, but the benefits derived were certainly less satisfactory. Municipal subsidies stimulated the organization of unnecessary agencies and resulted in the wasteful duplication of institutions." Under the new charter, in lieu of the lump payments formerly prevailing, the city pays a contract price for the public charges placed in private institutions.

The later history of Baltimore is fairly typical of most American cities. While there has been no great scandal, the city's financial affairs have been "conducted as no man of ordinary sagacity would manage his own private business," "upon a dull level of expensive mediocrity," which Dr. Hollander believes to be as costly in the long run as an outright looting of the treasury, though the loss is incapable of calculation. It is anticipated that the new charter will remedy many of these evils.

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